

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 AF-10 ARA-11
NEA-10 L-03 FRB-03 OMB-01 ITC-01 SP-02 ICA-11
AGRE-00 AID-05 CIAE-00 COME-00 INR-10 LAB-04
NSAE-00 OIC-02 SIL-01 OPIC-03 STR-07 TRSE-00
CEA-01 SS-15 /144 W
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P 111415Z SEP 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 3913
INFO AMEMBASSY BRUSSELS
AMEMBASSY MANILA
AMEMBASSY PARIS
USMISSION USUN NEW YORK

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 13594

USEEC USOECD

E.O. 11652: N/A
TAGS: UNCTAD, EGEN
SUBJECT: UNCTAD TRADE AND DEVELOPMENT BOARD MEETING AND
THE END OF THE SECOND WEEK

REFERENCES: (A) GENEVA 13284, (B) GENEVA 13449, (C) GENEVA
13423, (D) GENEVA 13417

1. SUMMARY: G-77 HAS YET TO PRESENT ITS VIEWS ON UNCTAD V
AGENDA BUT HAS PROMISED TO SUBMIT ITS DRAFT AGENDA ON
SEPTEMBER 11. UNCTAD SECRETARIAT IS PUSHING INTERDEPEND-
ENCE VERY HARD AS A MEANS OF EXPANDING ITS MANDATE.
FAILURE OF UN COMMITTEE OF THE WHOLE (COW) IN NEW YORK
WILL OBVIOUSLY HAVE AN IMPACT ON UNCTAD TRADE AND DEVEL-
OPMENT BOARD (TDB) MEETING IN ITS FINAL WEEK. UNCTAD
SEC GEN COREA WILL ANNOUNCE ON SEPTEMBER 12 THE RESULTS
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OF HIS CONSULTATIONS ON RESUMPTION OF COMMON FUND NEGO-
TIATIONS. SESSIONAL COMMITTEE I IS FACING NUMEROUS G-77
DRAFT DECISIONS ON AT LEAST EIGHT AGENDA ITEMS, SOME OF
WHICH WILL POSE PROBLEMS FOR US AND GROUP B. END SUMMARY.

2. NO ISSUES, MAJOR OR MINOR, BEFORE THE TDB HAVE BEEN
RESOLVED. THE G-77 HAS NOT YET PRODUCED A FIRST NEGOTI-

ATING DRAFT OF WHAT IT WOULD LIKE IN THE MANILA UNCTAD V AGENDA, A TASK GROUP B ACCOMPLISHED BY THE END OF THE FIRST WEEK. G-77 HAS PROMISED TO TABLE ITS DRAFT AGENDA SEPTEMBER 11. THE DEPARTURE OF DATSE (GHANA), ALATAS (INDONESIA), KHEIBI (ALGERIA), KIBRIA (BANGLA-DESH), DE ALWEIS (SRI LANKA) AND YUNUS (PAKISTAN) FROM GENEVA HAS LEFT A MAJOR VOID IN G-77 LEADERSHIP. WITH THE EXCEPTION OF KHAN (PAKISTAN) AND KUMAR (INDIA) THERE ARE FEW DIPLOMATS IN THE G-77 THAT HAVE THE RESPECT OF THE GROUP. THE LATIN AMERICAN AND AFRICAN GROUPS ARE REBUILDING LEADERSHIP AND THE ASIAN LEADERSHIP CANNOT HEAVILY INFLUENCE THESE OTHER REGIONAL GROUPS.

3. IF THERE IS A MAJOR THRUST TO THE CONFERENCE, IT IS THAT UNCTAD SHOULD TAKE UP THE BANNER OF INTERDEPENDENCE. THE SECRETARIAT IS PUSHING THIS POINT QUITE HARD. THEIR INTERPRETATION IS THAT ALL ECONOMIC ISSUES ARE INTERDEPENDENT. IT IS IMPORTANT TO NOTE THAT THE EMPHASIS IS ON THE INTERDEPENDENCE OF ISSUES AND NOT NATION STATES. THIS INTERPRETATION ALLOWS UNCTAD TO BROADEN ITS MANDATE FROM A NARROW BASE OF TRADE AND DEVELOPMENT TO A BROAD SPECTRUM OF ECONOMIC CONCERNS TO INCLUDE MONETARY ISSUES AND INVESTMENT. THE U.S. DELEGATION HAS CONCENTRATED ON KEEPING THE INTERDEPENDENCE ISSUE AN ITEM OF OPEN DEBATE AND DISCUSSION RATHER THAN A NEGOTIATING ISSUE. TO THIS END, WE HAVE ATTEMPTED TO KEEP INTERDEPENDENCE AS A GENERAL THEME FOR LIMITED OFFICIAL USE

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MINISTERIAL DEBATE AT UNCTAD V RATHER THAN AN ITEM ON THE AGENDA TO BE NEGOTIATED.

4. THE FAILURE OF THE COMMITTEE OF THE WHOLE (COW) IN NEW YORK TO RESOLVE ITS MANDATE ISSUE WILL IMPACT ON THE ISSUES BEING DISCUSSED IN THE TDB. THE COW IS LOOKED UPON HERE AS A COMPETITIVE BODY WHICH IS USURPING UNCTAD TURF. WE ANTICIPATE A STRONGER PUSH THAN IN THE PAST TO BROADEN UNCTAD'S IMPLICIT MANDATE TO CONSOLIDATE AS MUCH TERRITORY AS POSSIBLE FOR GENEVA. UNCTAD DESIRES TO BE THE NEGOTIATING BODY FOR ALL NORTH-SOUTH ECONOMIC ISSUES. IT DOES NOT DESIRE TO SEE THIS RESPONSIBILITY REST IN NEW YORK.

5. IN FORMULATING THE U.S. POSITION ON THE COW FOR 33RD UNGA DEBATE, WE BELIEVE THE U.S. SHOULD REVIEW WHAT ROLE IT WISHES TO SEE UNCTAD PLAY. IF IT IS INEVITABLE THAT COW WILL BE A NEGOTIATING BODY RATHER THAN A FORUM FOR POLICY LEVEL DISCUSSIONS, THE QUESTION SHOULD BE RAISED WHETHER WE MIGHT PREFER THE NEGOTIATING FUNCTION IN UNCTAD. SUCH A THOUGHT MAY WELL BE AN ANATHEMA TO MANY IN WASHINGTON, BUT IT SHOULD BE CONSIDERED IN THE U.S. INTERNAL DEBATE. IT IS OUR OPINION HERE THAT VIA THE ROUTE OF

INTERDEPENDENCE MANY OF THE ISSUES THAT WERE TO BE DISCUSSED IN THE COW WILL SLOWLY CREEP INTO UNCTAD AGENDAS. SOME DUPLICATION WILL BE INEVITABLE.

6. TDB PRESIDENT CASTELLANOS (VENEZUELAN AMBASSADOR) ANNOUNCED LATE FRIDAY THAT UNCTAD SEC GEN COREA WILL ADDRESS PLENARY SEPTEMBER 12 TO PRESENT RESULTS OF HIS CONSULTATIONS ON COMMON FUND AND HIS RECOMMENDATION ON RESUMPTION OF NEGOTIATIONS. BELIEVE COREA WILL CALL FOR RESUMPTION OF NEGOTIATIONS IN NOVEMBER 13 - 30 PERIOD UNCTAD SECRETARIAT HAD TENTATIVELY RESERVED FOR MEETING.

7. IN PLENARY SESSION SEPTEMBER 8, GROUP B DELIVERED A

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BRIEF REPLY TO GROUP D STATEMENT ON INTERDEPENDENCE CONTAINED PARAGRAPH 5 REFTEL D. REPLY EMPHASIZED THAT ALL COUNTRIES SHARE RESPONSIBILITY FOR WORLD'S ECONOMIC DEVELOPMENT, AND THAT GROUP D CRITICISMS OF POLICIES OF DEVELOPED OPEN MARKET COUNTRIES WERE UNJUSTIFIED WHEN SUCH COUNTRIES PROVIDE THE OVERWHELMING SHARE OF OFFICIAL DEVELOPMENT ASSISTANCE, ALLOW MORE MARKET ACCESS THAN ANY GROUP D COUNTRY, AND PROVIDE DEVELOPING COUNTRIES WITH CONVERTIBLE CURRENCIES THEY CAN USE AS THEY DESIRE. GROUP

D REJOINDERS DELIVERED BY CZECHOSLOVAKIA, WHICH AWKWARDLY ACKNOWLEDGED SHARED RESPONSIBILITY EVEN THOUGH "HISTORICAL RESPONSIBILITY" WAS NOT THEIRS AND BY USSR WHICH SIMPLY REITERATED THAT CONCEPT OF INTERDEPENDENCE MEANT THAT UNCTAD SHOULD ADDRESS EAST-WEST TRADE.

8. SESSIONAL COMMITTEE I (SC I) WAS ORIGINALLY SCHEDULED LIMITED OFFICIAL USE

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TO COMPLETE ITS WORK BY SEPTEMBER 8 BUT HAS ONLY FINISHED FOUR OF THE THIRTEEN SUBJECTS UNDER TDB AGENDA ITEM 5. INSURANCE, EXPORT CREDIT GUARANTEE FACILITY, SHIPPING AND INTERNATIONAL MULTIMODAL TRANSPORT ITEMS DEALT WITH IN ROUTINE MATTER BY S.C.I. ON OTHER ITEMS SIGNIFICANT PROBLEMS HAVE EMERGED. COOPER AND SEABED ITEM HAVE BEEN REPORTED SEPTELS. RESTRICTIVE BUSINESS PRACTICES ITEM STILL UNDER NEGOTIATION IN CONTACT GROUP. MAIN POINTS STILL UNRESOLVED ARE WHETHER 33RD UNGA OR UNCTAD V SHOULD SET DATE FOR NEGOTIATING CONFERENCE ON RBP PRINCIPLES AND RULES AND WHETHER UNCTAD V SHOULD ADDRESS SUBSTANTIVE ISSUES FOR CONFERENCE. TENTATIVELY AGREED TEXT CALLS FOR NEGOTIATING CONFERENCE IN "LATE 1979 OR EARLY 1980" WITH A THREE-WEEK EXPERTS MEETING BEFORE UNCTAD V TO WORK ON PRINCIPLES AND RULES AND MODEL LAW.

9. IN ADDITION TO COPPER AND SEABEDS PROPOSALS ALREADY TABLED, G-77 HAS PRESENTED OR WILL SOON PRESENT DRAFT DECISIONS FOR AT LEAST SIX OTHER ITEMS IN S.C. I -- IPC, TUNGSTEN, TRADE AND INDUSTRIAL COOPERATION BETWEEN DCS AND LDC'S, GSP, TRANSFER OF REAL RESOURCES AND ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES (ECDC). IN MOST CASES THESE G-77 PROPOSALS WILL CAUSE SERIOUS PROBLEMS FOR US AND OTHER GROUP B NATIONS AS PROPOSALS EXTEND AND ACCELERATE UNCTAD ACTIVITIES ON BEHALF OF G-77. WE WILL REPORT ON OTHER ITEMS AS G-77 PROPOSALS ARE TABLED AND GROUP B POSITIONS DEVELOP.

10. SESSIONAL COMMITTEE II (SC II) REPORT WILL FOLLOW IN SEPTTEL.
VANDEN HEUVEL

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